

**'This is not a time for austerity'; Liberals promise to continue heavy spending on COVID relief programs 'We're on the brink of a fall that could be much worse than the spring,' PM says Opposition parties will determine government's fate in confidence vote**

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**Byline:** Tonda MacCharles and Alex Ballingall Toronto Star

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## **Body**

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Prime Minister Justin Trudeau has staked the survival of his minority government on a new plan to continue heavy public spending during the COVID-19 pandemic on programs like child care, extended wage subsidies and new federal standards for seniors in long-term care.

Delivered to a diminished gathering in the Senate, Wednesday's throne speech included a long list of promises framed as the necessary response to a crisis that has killed more than 9,000 Canadians and forced millions of people to rely on billions of dollars in government aid.

Trudeau later made a nationally televised plea to Canadians to curb what he called a second wave of COVID-19 that is now rising in four provinces.

"We're on the brink of a fall that could be much worse than the spring," Trudeau said. He warned it's likely Thanksgiving gatherings will be limited but added, "we still have a shot at Christmas."

The actions set out in the throne speech, however, immediately set course for a clash in the Commons, as the Bloc Québécois and the Conservatives criticized it and NDP Leader Jagmeet Singh suggested he might withhold support unless the government increases financial aid for jobless workers.

While the prime minister has said he does not want to trigger an election, senior Liberals say he is also unafraid of campaigning on the governing agenda set out in Wednesday's speech.

"This pandemic is the most serious public health crisis Canada has ever faced," said Gov. Gen. Julie Payette, who read the text aloud to a pared-down audience in the Senate chamber, with attendance minimized to comply with pandemic restrictions.

After six months of big spending to support struggling businesses and the jobless, the throne speech signalled Ottawa has no plans to ease up on borrowing that has already brought the federal deficit to almost \$350 billion this year. In fact, the government made an array of costly promises.

These included a pledge to make a "significant, long-term sustained investment to create a Canada-wide early learning and child-care system" that would be "accessible to all."

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The government said it will extend the Canada Emergency Wage Subsidy, which covers up to 75 per cent of worker pay for entities that lost revenue during the pandemic, for another nine months. It has spent more than \$35 billion on that program over the past six months.

On top of that, the speech pledged new spending on "all types of infrastructure" over the next two years, including on public transit, building retrofits, affordable housing and extending broadband internet access.

There was also a vow to make the "largest investment in Canadian history" on skills training for workers as the government sets a new goal to return employment to its pre-pandemic level by creating one million jobs, and a pledge to accelerate steps toward national pharmacare.

The speech was delivered as two opposition leaders are sidelined at home after being infected with COVID-19. While economic supports and spending to spur growth featured prominently, so too did pledges to help contain the spread of the virus by continuing federal efforts to procure necessary protective equipment, ensure Canadians have access to a vaccine if and when one is available, and help provinces improve their testing regimes.

The government said it will do "whatever it takes" to fulfil Canadians' health needs, and that "this is not a time for austerity."

Conservatives promptly panned the speech for neglecting any commitment to hold back on spending. Deputy leader Candice Bergen said her party will not support the speech, and are ready for an election "if that's where this goes."

Conservative Leader Erin O'Toole replied to Trudeau's address with pointed criticism of his handling of the crisis and a broader critique of Trudeau's economic and foreign policies. O'Toole said COVID-19 testing needs to be ramped up, the needs of the energy sector must be addressed, and Canada's trade should be diversified.

"Mr. Trudeau says we are all in this together but Canada has never been more divided," O'Toole said in a video made outside his home, where he is in quarantine.

Trudeau's plan drew ire in Quebec, where Premier François Legault and Bloc Québécois Leader Yves-François Blanchet immediately slammed it for trampling into areas of provincial responsibility. Blanchet called the speech's intrusions on provincial turf "an affront" and said he would give the government one week to provide "unconditional" health transfers or else the BQ will vote against the government.

Premier Doug Ford, whose Progressive Conservatives have worked closely with the federal Liberal government throughout the pandemic, also fired a rare salvo at Ottawa.

"Today the federal government missed a critical opportunity to commit to a desperately needed increase to the Canada Health Transfer," said Ford, who, along with the other premiers, is demanding the federal government boost its share of health-care funding from 22 per cent to 35 per cent.

"I will continue to work alongside my provincial counterparts to advocate that the federal government invest its fair share in health care," Ford said.

The Liberal government is already spending \$19 billion to aid provinces under "safe restart" agreements, plus another \$2 billion directly in support for schools to reopen.

In the speech, Trudeau promised more federal help for surge testing in remote areas, as well as financial support for businesses shut down by local public health orders.

In August, Trudeau had promised a "bold" and "ambitious" action to "build back better" from the massive hit to nearly all of Canada's economic sectors. On Wednesday, in addition to extensions of the wage subsidy, business loans and business credit programs, Trudeau promised specific support for travel and tourism, hospitality and cultural industries.

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The Liberal government established no specific new fiscal benchmarks, and used only vague language to say it "will preserve Canada's fiscal advantage and continue to be guided by values of sustainability and prudence."

"In the short term, we'll keep investing," Trudeau said in his televised address. "But beyond the emergency, as we start to build back better, we must do that in a fiscally sustainable way. Investing for our recovery must be done responsibly."

The throne speech reiterated the government's plan to use the Employment Insurance system to continue to deliver emergency income support to Canadians left unemployed by COVID-19. Legislation is expected in days to create new benefits to help caregivers, the self-employed and others who don't qualify for EI, such as gig economy workers.

And while Trudeau says the government must remain focused on the immediate and near-term challenges that have not yet been met, he said climate change must be addressed as well.

In a signal of renewed urgency to update the climate targets it adopted from the previous Conservative government, the throne speech promised Ottawa would "immediately bring forward" its new plan to exceed the goal of slashing emissions by 30 per cent below 2005 levels by 2030. It pledged to make climate action a "cornerstone" of the government's economic recovery plan, vowing to create "thousands of jobs" by retrofitting homes and buildings so they're more energy efficient.

It promised more money to expand public transit, build infrastructure to bring clean energy to regions without it, and spend on clean tech initiatives including making zero-emission vehicles more affordable and expanding the charging stations they need to be functional.

The speech also repeated previous promises to legislate emissions targets toward the goal of net-zero by 2050, plant two billion trees by 2030, spend money to protect communities from the effects of climate change, and ban single-use plastics by the end of 2021.

Environmentalists welcomed the renewed pledges, but many expressed skepticism and demanded to see real action in the economic update.

Trudeau doubled down on last year's promise of moving toward a national universal pharmacare program, saying his government will work with provinces that are prepared to move forward on a single-payer public drug plan.

Trudeau's government, which in its first mandate created a 10-year, \$55-billion national housing strategy and pledged \$1 billion for rapid housing to ease homelessness last week, pledged even more toward what is a key demand of the New Democrats.

The speech echoed the government's pledge to make web giants pay Canadian media and content creators for hosting their work, and "require them to contribute to the creation, production and distribution of our stories, on screen, in lyrics, in music, and in writing." Heritage Minister Steven Guilbeault told CTV that Canadians can expect the next federal budget will require the web giants to pay GST, to pay their "fair share" to Canadian media organizations for use of their content, and to contribute to the creation of Canadian content.

The speech pledged criminal justice reforms, including modernized police training, and other measures to fight systemic anti-Black racism and to redouble efforts toward reconciliation with Indigenous people, whose relationship Trudeau has frequently highlighted as his government's most important.

AFN national Chief Perry Bellegarde welcomed many of the commitments, including infrastructure and environmental spending to achieve clean drinking water and to decarbonize the economy, as well as policing reforms and support for First Nations policing.

The speech from the throne is set to be debated for several days before being put to a vote in the Commons.

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But unless Trudeau can win the support of at least one other opposition party to get the 16 extra votes he needs for a majority of Commons support, a rejection of the speech could set the country on the course to an election amidst a pandemic.

With files from Robert Benzie

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